GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:3525
ANSWERED ON:07.04.2003
IMPACT OF CLOBALISATION FARMERS
VSM (RETD.) COL. CHOUDHARY

Will the Minister of AGRICULTURE be pleased to state:

(a) whether farmers are being adversely affected due to price fluctuation in the international market;

(b) if so, whether easy availability of cheaper and affordable imported goods has economically hit the farmers; and

(c) if so, the measures being taken by the Government to protect the interest of the farmers?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a) to (c) International prices affect farmers through changes in domestic prices as well as imports. In order to minimize the impact of fluctuations in prices on the Indian farmers, the Government announces Minimum Support Prices (MSPs) for major crops.MSPs enable the farmers to sell their produce at remunerative prices whenever the market prices fall below the MSP. However, relatively lower prices of agricultural commodities can lead to increase in imports, thereby affecting the welfare of Indian farmers, especially in the wake of the removal of quantitative restrictions. Experience, however, shows that there has been no significant increase in imports. The value of agricultural imports in aggregate terms came down from US$2.8 billion in 1999-2000 to about US$1.8 billion in 2000-01, and went up only marginally to US$2.3 billion in 2001-02. To ensure that the farmers of the country are not put to any hardship, the Government has put in place a suitable mechanism for monitoring the import of sensitive items and is committed to providing adequate protection to the Indian farmers through various measures, including appropriate calibration of applied tariffs within bound levels, recourse to trade remedies, and governmental support consistent with the provisions of the World Trade Organisation (WTO).